

Telecommunications & Economic Growth

Economic Qualification of the Impact of Telecommunications on Development

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Agenda

- Objectives
- Background
- Research Methodology
- Implications / Conclusions

Agenda

- Objectives

Objectives: Drivers of Growth

Explore the Link between

Macro-Economic & Telecommunications

Agenda

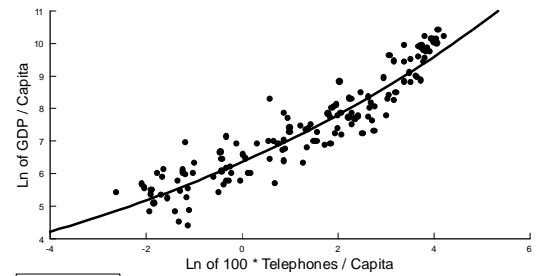
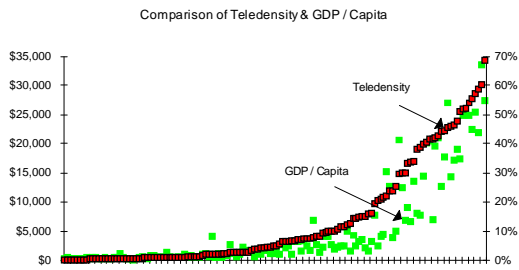
- Objectives
- Background

Telecommunications & Growth Correlations

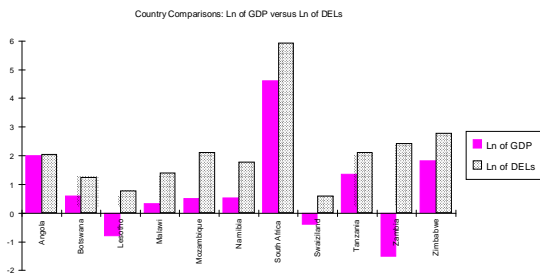
- Jipp's Observations
- Southern African Study
- Seven East Asian Countries
- World Bank Analysis



Teledensity versus GDP



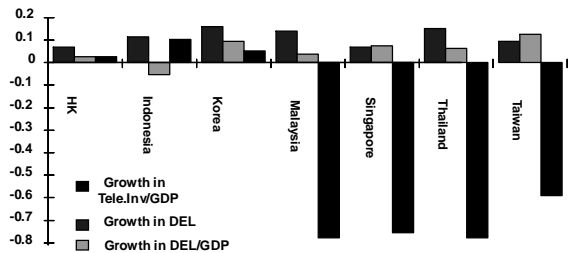
Southern African Results



Log of GDP & Telephones (DELs)

East Asian Economics

GDP vs. DEL vs. Tele investment



World Bank Study

- **World Bank Study**
 - **Education Significant Driver**
- **Regression Results**
 - **Growth of GDP versus Education & Investment Variables**

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- **Research Methodology**

Methodology

Literature Review

Macro-Economic Data Analysis

Literature Review

- **A Strong Statistical Relationship Exists**
- **Recent Literature Suggests Causality**

Methodology

- **Telecommunications Added**
- **Education Variables Replaced**

Methodology: World Bank

- **Cross-Economies**
- **Variables:**
 - **Investment,**
 - **Population**
 - **RGDP &**
 - ***Education***
- ◆ **Telecommunications**

Methodology: Modified Results

- **Telecom Significant Driver**
- **Results:**
 - **Telephone Variable Added**
 - **Significant at the .05 level**
 - **Education Variable Replaced**
 - **Significant at the .01 level**

Conclusions / Implications

- **A Positive Relationship Exists**
 - **Empirical Results Confirmed**
 - **Others' Results Confirmed**
- **Magnitude Varies**

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Why?

- Jipp's Technique - too simple
- Developed Economies - complicate to measure
- Telecommunications Investment Fluctuations

Conclusion / Implications

- Rejection of Jipp's observation
 - Negative Correlation
 - Too Simple
- Further Research Plan

Further Research

- Expand of the Time Series
- Comprehensive Result

Conclusions / Implications

- Cross-Economies Analyses
- Inclusion of Telecommunications

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